

Business Roundtable Meeting Notes
February 26, 2003

Attendees: G. Ezovski, R. Austin, J. Boehnert, L. Boisselle, J. Brunelle, S. Cadarette, J. Callanan, K. Camp, A. Cantara, J. Chambers, S. Charron, S. Courtemouche, M. Hackman, B. Hayden, D. Hazebrouck, R. Hittinger, G. Kaufman, P. Lombardi, Jr., H. Lucha, K. McDermott, T. O'Connor, L. Preston, M. Viera, A. Willoghby, M. Stoeckel

DEM: J. Reitsma, BR. Ballou, T. Gray, T. Getz, L. Hellested, A. Liberti, S. Majkut, F. Vincent

I. Old Business

The October meeting notes were accepted as written.

II. New Business

A. Review of DEM Arsenic Proposal

Terry Gray provided a brief explanation of DEM's proposal. The current DEM arsenic direct contact standards for soil are 1.7 PPM for residential, which represents the mean background level from two state-wide studies, and 3.8 PPM for commercial/industrial sites, which represents the risk-based standard for that type of land use. DEM has reviewed the comments and suggestions from the Department of Health, as well as suggestions from various stakeholders and have developed the following approach for sites contaminated with arsenic as the sole contaminant.

Commercial/industrial sites with concentrations of 7 PPM and below are presumed to be contaminated due to background presence of arsenic. 7 PPM was derived from the statistical distribution of the background concentrations from the studies and represents a point where 95% of background samples are at or below 7 PPM. This background number has been confirmed after analyzing samples from both site remediation and dredging projects. DEM is working with Brown University to conduct further quantitative study of this issue over the next year. DEM is proposing to go to notice in March and rule promulgation in the spring.

B. Licensed Site Professionals (LSP) Discussion

Terry Gray said reviewed the results of the LSP surveys and based on it, DEM did not believe the Rhode Island site remediation program should be converted to a third party licensed professional approach. He said the costs of transitioning to, and subsequently operating, an LSP-type program are not justified given the benefits that would be achieved. In addition, this third party approach is not appropriate for waste site cleanups given the high level of community interest and the expectations of state involvement and oversight by both the public and elected officials. This may be a case where the addition of 3-4 new staff to the existing program may resolve the problem. Once new staff is added the program will undertake further regulatory reform. Implementation of an expanded Marginal Risk Policy, the revised Arsenic standard and development of prescriptive remedies could streamline the existing process.

The director said DEM's experience in licensing professionals in the ISDS Program was problematical. The quality of work was not good and DEM still needed to provide oversight. He thought additional work should be done to expand the Marginal Risk Policy and to develop prescriptive remedies.

A number of comments were raised at the meeting and included the following:

If transitional costs for DEM were high because of program development, would DEM review a proposal from the private sector? Terry Gray indicated that he would like to determine the direction of the Commission before a proposal is developed. The director suggested that any information developed should be submitted to the commission.

C. Environmental Lead Discussion

Gary Ezovski began the discussion by saying lead is a problem and has a large impact on children especially with respect to their education. Lead causes neurological damage that causes learning problems in school. He mentioned that the cost to fund a student in regular education is approximately \$8-9,000, but the cost of special education is double that. The cost to society to educate a child who has been damaged by lead is over \$100,000 over the twelve years. This does not even consider the costs to the individual. He thought the state should look at the model we use for gasoline tanks and we should look for problem homes and remediate them. He thought the cost of cleaning an apartment should not exceed \$20,000 and this would stop children from being hurt in the future.

Marie Stoeckel from the Department of Health mentioned that since 1994 the number of children with elevated lead levels has decreased from 23% to 6%. Lead poisonings have also decreased. She mentioned the Isso bill allows landlords to be proactive and they are not required to use people who are licensed for lead remediation.

Appropriate incentives should be developed in order to get people to fix the problem. Low interest loans that are paid back at the time of sale were discussed along with tax incentive to replace windows contaminated with lead. One participant cautioned that incentives needed to be thought out since most of the homes are in poor neighborhoods in the inner cities. Removing the old windows will affect the beauty and uniqueness of these homes. Another issue that needs to be addressed is the ability of people to afford the remediation costs.

Terry Gray mentioned that DEM regulations only control lead paint when the house is being actively scrapped. There is a gap in our regulations because DEM does not regulate houses that are peeling. The peeled paint is often tracked into the house.

The director suggested that business should work with DEM and DOH to discuss resolution of this problem. One member suggested that OSHA should also be contacted. Gary Ezovski mentioned that there is a legislative group working on this issue and perhaps we should work with the existing group instead of starting another initiative.

D. DEM Updates Regulatory Agenda

Greenhouse Gas – The Governors and Canadian Premiers have set greenhouse gas targets to be met by 2020. Most of the recommendations are cost effective including one that substitutes fluorescent bulbs with incandescents. There is some controversy on setting a requirement for the purchase electricity from sources of renewable energy. The director was advocating 20% of electricity should be produced from renewable sources. This strategy may be needed to cover potential shortfalls in greenhouse gas reductions. Some scientists are suggesting we should be

reducing emissions by 70%. He also mentioned that Connecticut is setting a 25% target. He thought Rhode Island should work with the surrounding states to set a regional target.

Gary Ezovski indicated a 15 % target is preferable because it has a smaller economic impact. Rhode Island industries experience high electricity costs and this proposal further increase these costs. He suggested that we keep the 15% target and review it in ten years.

Feebate- The Feebate program encourages the reduction of greenhouse gasses by setting vehicle fuel efficiency incentives. The program would penalize people who purchase vehicles that have fuel economy rating of less than 21 miles per gallon. Vehicles that have ratings greater than 23 miles per gallon will be eligible for a rebate. The program would apply to newly registered vehicles.

Concerns were raised that the program should factor in the number of miles driven in a year. A high efficiency vehicle that is driven a lot may emit more greenhouse gasses than a vehicle that has poor fuel economy but is only driven a little. Perhaps an inspection mechanism could be built into the program where there is an assessment of a fee based on miles driven and the vehicles fuel economy. In this way everyone whose vehicle is registered would be a part of the program.

The Director indicated that he had some concerns about the program and indicated the Governor's Office was not supportive of the initiative. He questioned if this was a realistic approach considering the current economic condition of the state. He mentioned that there are greenhouse gas reductions will also lower emissions of pollutants that are needed to attain the ozone standard.

Mobile source emissions need to be tracked. If they are not the emission budget may be exceeded and reductions will need to be found from the more traditional sources of pollution in the business sector. The director also noted that government and larger businesses should take a leadership role and encourage vehicles be purchased for fleets that are pollution-friendly.

Wetlands – DEM is moving forward with a re-write of the wetlands regulations that will streamline the existing process.

Underground Storage Tanks – DEM is looking for ways to increase its oversight over the program inspection requirements. DEM has been meeting with stakeholders to investigate approaches that include a self-certification program or a licensed professional program.

Dredging – The DEM regulations are effective today (February 26, 2003). The regulations are organized into a pre-project planning phase and an application phase. In the pre-project planning phase, pre-application meetings are encouraged to review general issues, develop a sampling plan, and coordinate with both state and federal agencies (DEM, CRMC, and ACOE). The regulations provide standards for performing the sampling and analysis and establish criteria for disposal alternatives. The application process combines both DEM and CRMC requirements into a single application submission for concurrent review by both agencies.

Legislative Update

Solid Waste Management Pilot Projects

This proposal would amend the Refuse Disposal Act to allow DEM to approve solid waste management pilot projects proposed by municipalities as a means of encouraging the development of safe, alternative waste management techniques in Rhode Island. Such pilot projects would serve to promote waste reduction and the safe and effective management of solid waste.

Without this amendment, municipalities proposing pilot projects would be required to submit a completed solid waste license application, which requires detailed review by DEM staff followed by a formal public hearing on the application. The application fee is \$10,000 and the review process often takes between four (4) and six (6) months to complete.

Pollution Prevention Tax Credits

This proposal would make pollution prevention equipment eligible for a sales and use tax exemption; and clarify the eligibility criteria for the sales and use tax exemption available to Rhode Island businesses in their efforts to control and prevent pollution and otherwise reduce environmental contaminants.

Gary Ezovski indicated that we should consider allowing tax credits apply for boiler upgrades that are necessary for compliance with the greenhouse gas program.

Budget

The director mentioned the governor is still preparing his budget address that is due in March. The governor has indicated his support for social programs and the Director is not sure how this will affect the DEM budget. He also said the DEM budget would be discussed in the House Finance Committee on April 12. The director also indicated that Fred Vincent would be available to discuss the DEM budget after it becomes a public document. Gary Ezovski mentioned that employee contracts that are negotiated by the Department of Administration often have provisions that affect the ways agencies are managed. The business community should monitor these contracts.

E. Air Toxics

Steve Majkut indicated that DEM was starting a stakeholder process to revise the Rhode Island air toxics regulation. He mentioned that the program is expanding the number of compounds regulated from 40 to approximately 250. Staff reviewed comments from the hearing and developed a list of ten topics that will be used to begin the discussion of the revisions. Some of the topics include the application of the regulation based on quantities of toxics emitted versus used; minimum quantity thresholds and development of the acceptable ambient limits.

The meeting was adjourned and the next meeting was set for May 29, 2003.